

SENATE BILL No. 44

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-13.

Synopsis: Sales tax exemption for certain Internet property. Provides a sales tax exemption for transactions involving property that is: (1) capable of providing broadband Internet service; (2) owned by or leased to a broadband service provider; and (3) located outside a customer's premises.

Effective: July 1, 2004.

Ford

November 21, 2003, read first time and referred to Committee on Finance.

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Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 44

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-5-13 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 13. (a) **As used in this**
3 **section, "broadband service" means a connection to the Internet**
4 **at speeds greater than two hundred (200) kilobits per second**
5 **downstream.**

6 (b) **As used in this section, "broadband service provider" means**
7 **a person or an entity providing broadband service.**

8 (c) **As used in this section, "customer" refers to a customer who**
9 **receives broadband service from a broadband service provider.**

10 (d) **The following** transactions involving tangible personal property
11 are exempt from the state gross retail tax: ~~if:~~

12 (1) ~~the~~ **Transactions involving property that is:**

13 (A) classified as central office equipment, station equipment
14 or apparatus, station connection, wiring, or large private
15 branch exchanges according to the uniform system of accounts
16 which was adopted and prescribed for the utility by the Indiana
17 utility regulatory commission; or



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(B) mobile telecommunications switching office equipment, radio or microwave transmitting or receiving equipment, including, without limitation, towers, antennae, and property that perform a function similar to the function performed by any of the property described in clause (A). ~~and~~

(2) Transactions involving property described in this subdivision are exempt from the state gross retail tax only if the person acquiring the property furnishes or sells intrastate telecommunication service in a retail transaction described in IC 6-2.5-4-6.

(2) Transactions involving property that is:

(A) capable of providing broadband service;

(B) owned by or leased to a broadband service provider; and

(C) located outside a customer's premises.

The exemption provided by this subdivision does not apply to transactions involving property that is normally located inside a customer's premises, including personal computers, modems, set top boxes, and related items used by the customer to facilitate broadband connection within the customer's home or business.

SECTION 2. [EFFECTIVE JULY 1, 2004] IC 6-2.5-5-13(d)(2), as added by this act, applies to retail transactions occurring after June 30, 2004.

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